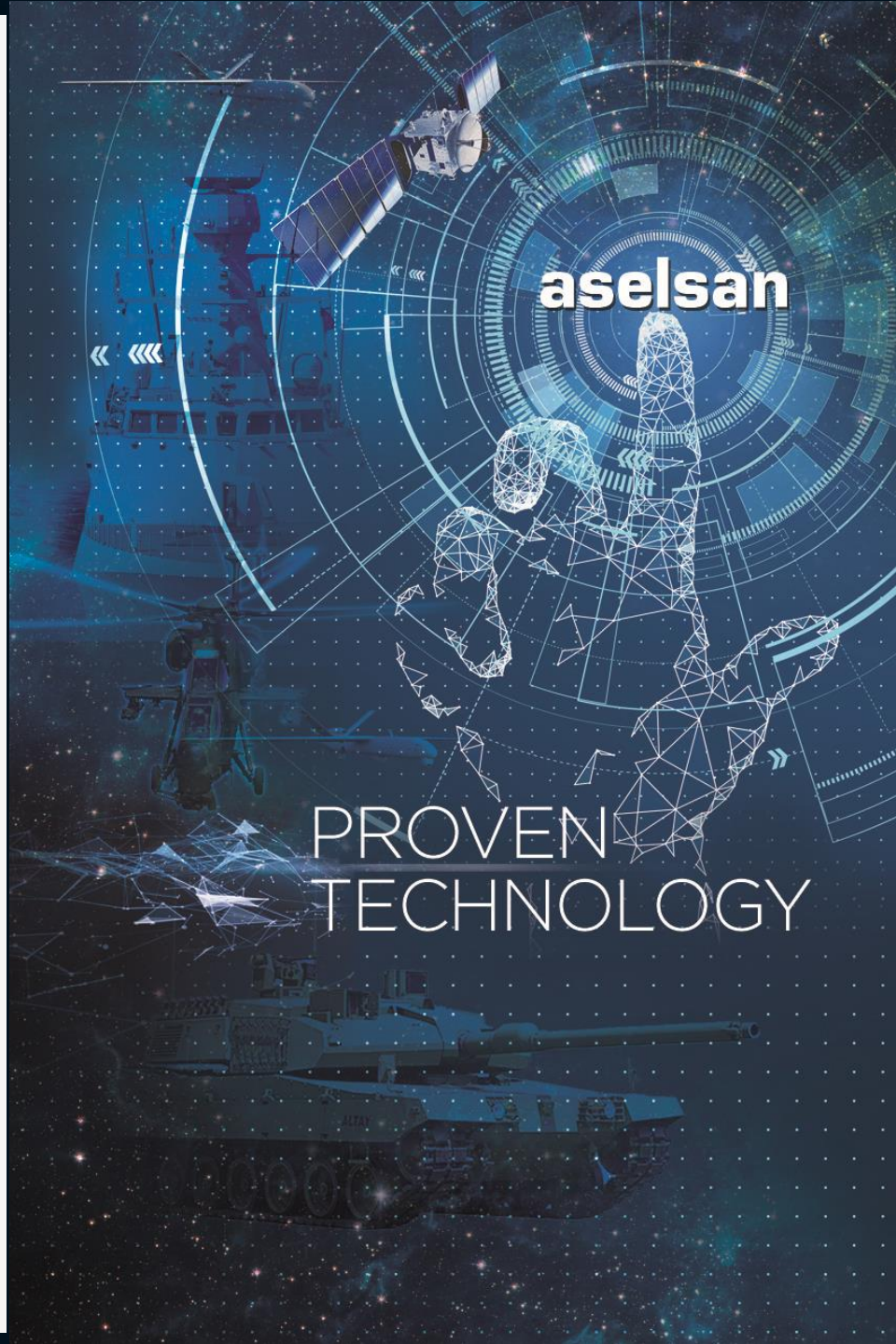


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Investor Presentation February 2019



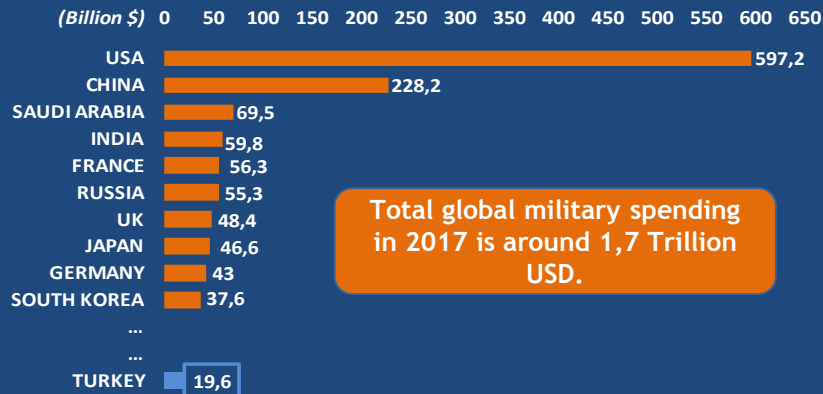
PROVEN
TECHNOLOGY

Turkey and ASELSAN's Place in Global Defense

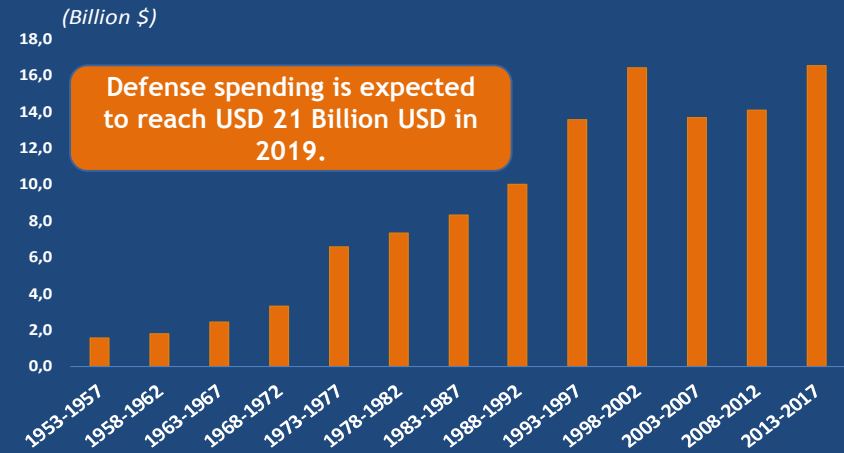
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As being the 2nd biggest army in NATO, Turkey has healthy growth rate of defense budget.

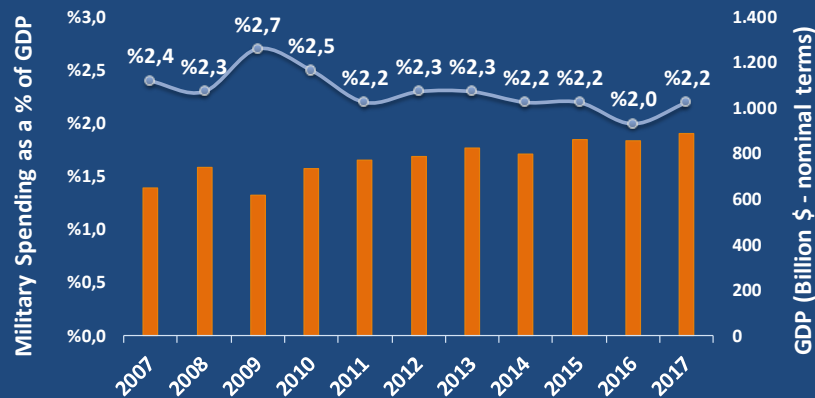
2017 Top 10 Spenders vs. Turkey



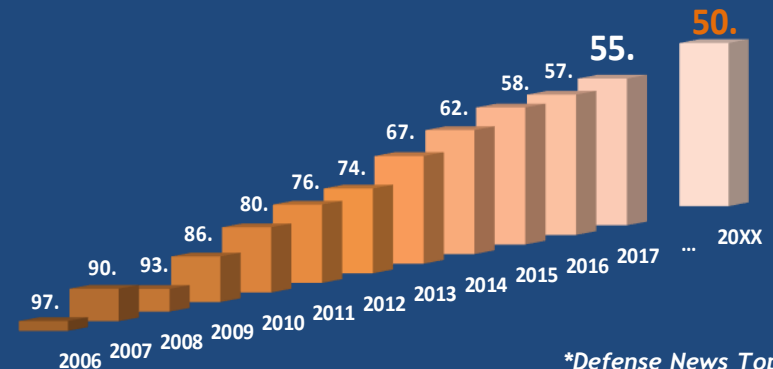
Military Spending of Turkey (5-year averages)



Military Spending as a % of GDP (TURKEY)



ASELSAN Global Defense Ranking*

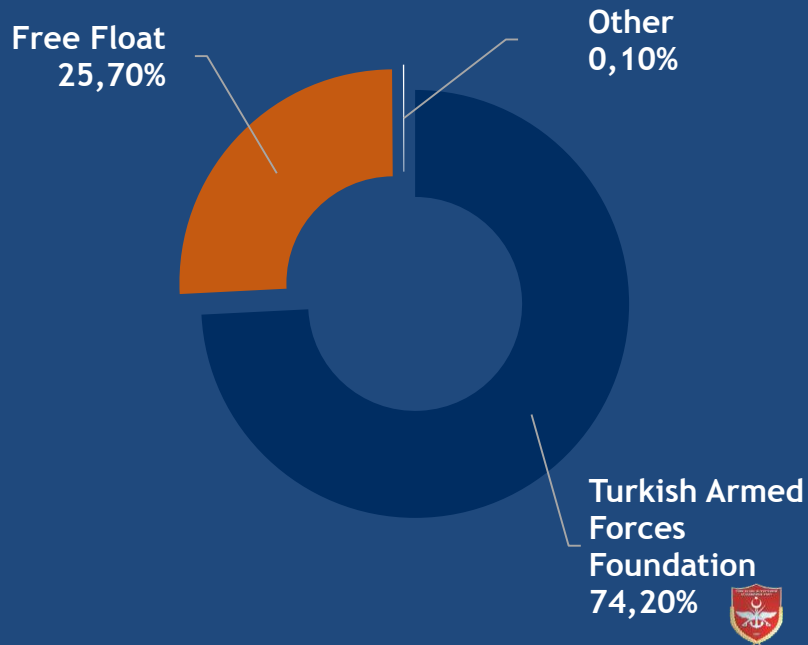


*Defense News Top 100



Shareholder Structure

ASELSAN is the only defense company listed on BIST.



Turkish Armed Forces Foundation (TAFF)



- TAFF was established by the merger of Land, Navy and Air Forces Foundations.
- TAFF's objective is to enhance the warfare capability of Turkish Armed Forces through national defense industry.
- TAFF owns several defense companies operating in separate fields.
- The only privilege of the shares owned by TAFF have is nominating 6 members of the 9 members of Board of Directors.

COMMUNICATION INFORMATION TECHNOLOGIES



COMMUNICATION



SATELLITE SYSTEMS



IT and CYBER SECURITY

MICROELECTRONICS GUIDANCE and ELECTRO-OPTICS



AVIONIC



ELECTRO-OPTIC



GUIDANCE and UNMANNED SYSTEMS



MICROELECTRONICS

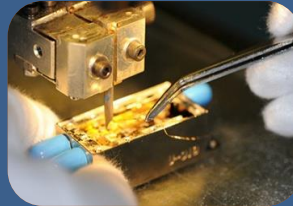
RADAR, ELECTRONIC WARFARE



RADAR SYSTEMS



ELECTRONIC WARFARE



MICROWAVE PRODUCTS

DEFENSE SYSTEMS TECHNOLOGIES



AIR and MISSILE DEFENSE



LAND and WEAPON SYSTEMS



COMMAND CONTROL



NAVAL SYSTEMS

TRANSPORTATION, SECURITY, ENERGY and AUTOMATION



SECURITY



TRANSPORTATION



TRAFFIC and AUTOMATION



ENERGY and HEALTH



Local

ROKETSAN



Share: 15%
Partner: TAFF
Founded: 1988
Assets: 1,1 Bio \$

ULAK



Share: 51%
Partner: SSTEK
Founded: 2017
Assets: 16,3 Mio \$

ASELSANNET



Share: 100%
Founded: 2004
Assets: 192 Mio \$

ASPILSAN



Share: 1%
Partner: TAFF
Founded: 1981
Assets: 5,6 Mio \$

ASELSAN BILKENT MIKRO NANO



Share: 50%
Partner: BILKENT Univ.
Founded: 2014
Assets: 24,9 Mio \$

MIKROELEKTRONIK



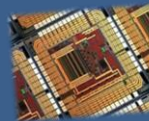
Share: 85%
Partner: ITU ETA
Participation: 2010
(Founded in 2006)
Assets: 4,9 Mio \$

ASELSAN PRECISION OPTIK



Share: 50%
Partner: Sivas Optik
Malzemeleri
Founded: 2014
Assets: 21,1 Mio \$

YITAL



Share: 51%
Partners: TUBITAK, SSM
Founded: 2017
Assets: 0,8 Mio \$

ASELSAN KONYA GUN SYST.



Share: 51%
Partner: Konya Savunma
Sanayii
Founded: 2018
Assets: 17,1 Mio \$

TEKNOHAB



Share: 30%
Partner: HAB, TUSAŞ
GAZI Univ.
Founded: 2018
Assets: 0,5 Mio \$



International

KAZAKHSTAN ASELSAN ENGINEERING (KAZAKHSTAN)



Share: 49%
Partner: Kazakhstan
Engineering
Founded: 2011
Assets: 38 Mio \$

ASELSAN-BAKU (AZERBAIJAN)



Share: 100%
Founded: 1998
Assets: 1,7 Mio \$

MACEDONIA BRANCH



Share: 100%
Founded: 2014
Assets: 8,5 Mio \$

SOUTH AFRICA BRANCH



Share: 100%
Founded: 2011
Assets: 0,8 Mio \$

ASELSAN MIDDLE EAST (JORDAN)



Share: 49%
Partner: KADDB
Investment Group
Founded: 2012
Assets: 8 Mio \$

BARQ QSTP LLC. (QATAR)

Share: 48%
Partners: BARZAN Holding, SSTEK
Founded: 2018
Assets: 0,3 Mio \$

IGG ASELSAN INTEGRATED SYSTEMS (UNITED ARABIAN EMIRATES)

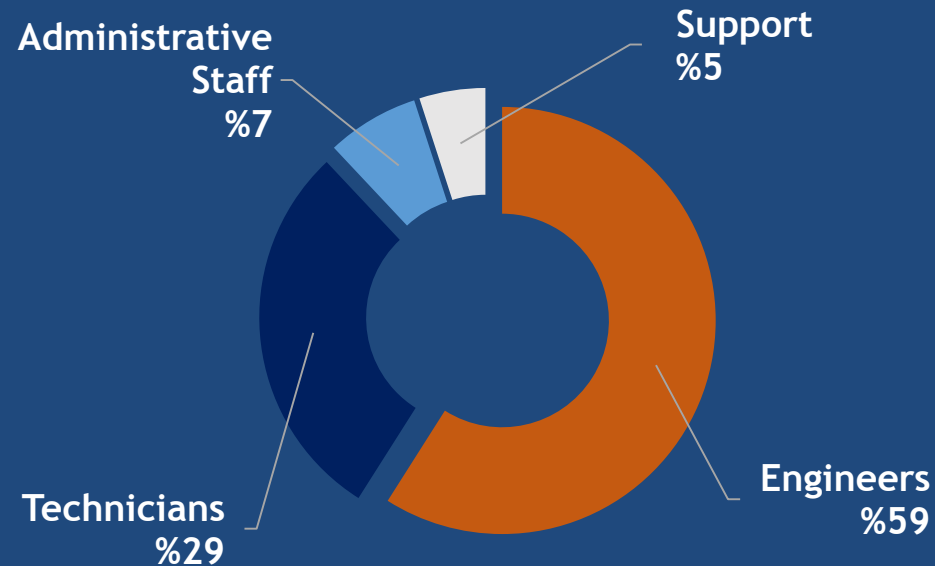


Share: 49%
Partner: IGG
Founded: 2011
Assets: 4 Mio \$

SADEC (SAUDI ARABIA)

Share: 50%
Partner: TAQNIA DST
Founded: 2016
Assets: 2,6 Mio \$

Total Employees : 6.518
Engineers : 3.852



Talent Management

University-Industry Cooperation

Location and Fringe Benefits

Back to Turkey Project

Projects Carried Out with Universities

Internship and Co-op Opportunities for High school and University Students

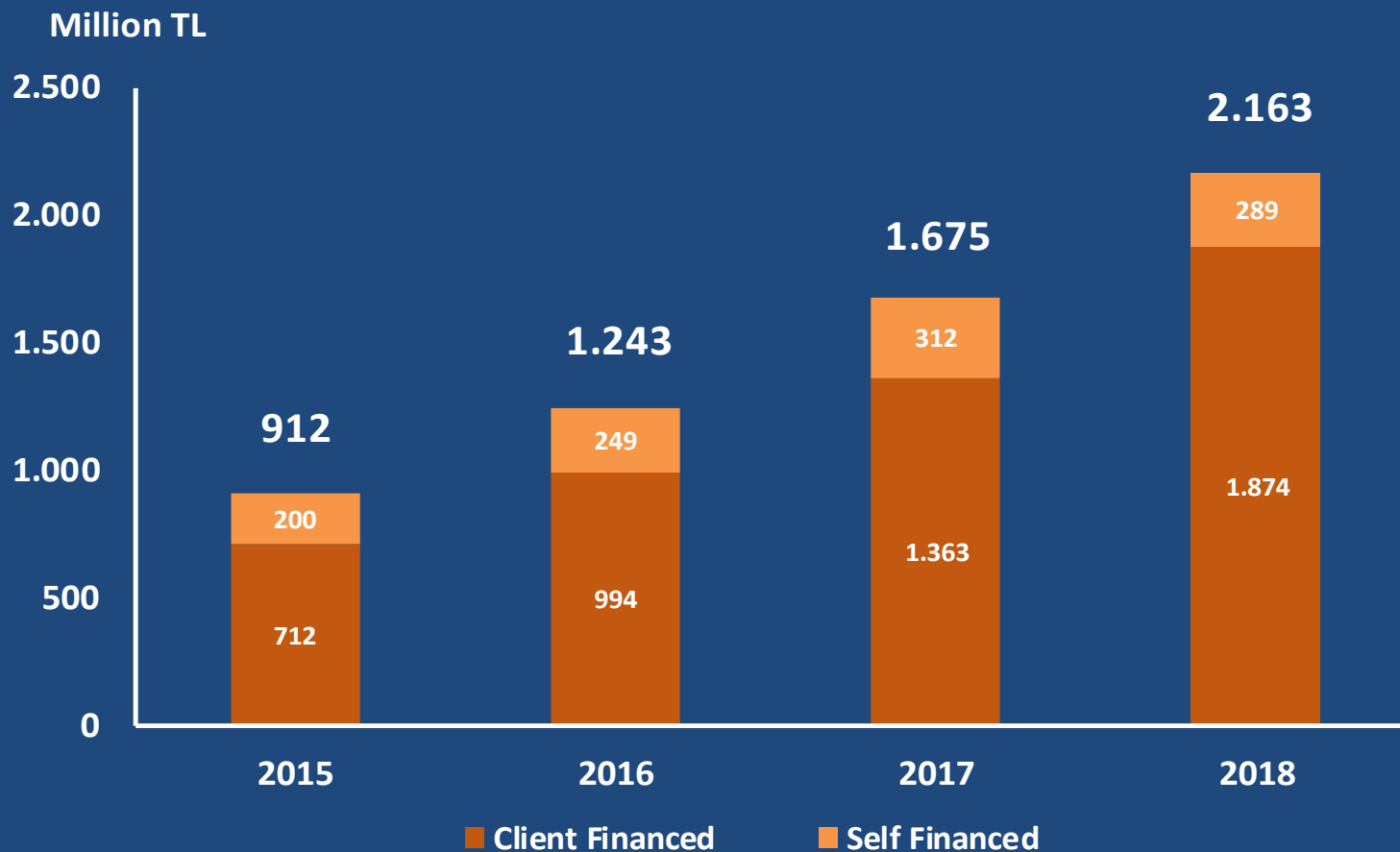
Masters and Doctorate Program Incentives for Employees

ASELSAN Academy



ASELSAN will not pay any corporate taxes till 2023 due to tax incentives on R&D activities.

R&D Spending



ASELSAN's SPO process which has been initiated as per the resolution made by TAFF Board of Trustees in December 2017, was successfully completed within a short period of time (6 months), on 7 June 2018.

The biggest public offering in Turkey since 2013, with an approximately 3 Billion TL worth of proceeds

The largest public offering of the 4 successfully completed offerings made in 2018, whereas 7 public offerings were meant to be made throughout the year

The largest public offering made with only local financial intermediaries since 2007

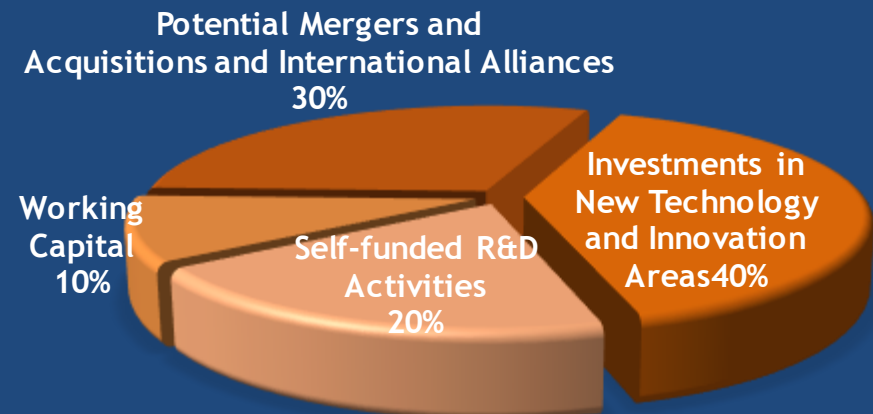
The highest number of domestic retail investors 62.802 reached, among the public offerings made in Turkey within the last decade



Share Allocation Structure



Use of SPO Proceeds



Long Range Air Defense Missile System



Customer: PDI
869 Million TL + 279 Million EUR

Identification of Friend or Foe System Serial Production



Customer: PDI
608 Million TL + 125 Million \$

TAF Software Defined Radio Procurement



Customer: PDI
1,5 Billion TL + 165 Million \$

Turkish Fighter Aircraft Development (TF-X)



Customer: TAI
255 Million \$

Barbaros Class Frigate



Customer: PDI
176 Million EUR + 457 Million TL

HAVASOJ (Stand-off Jammer)



Customer: PDI
342 Million TL + 163 Million \$

**4,1
Billion \$**

NEW
CONTRACTS

**9,1
Billion \$**

BACKLOG

+66%

REVENUE
(TL)

64%

INCREASE in
EBITDA

21%

EBITDA
MARGIN

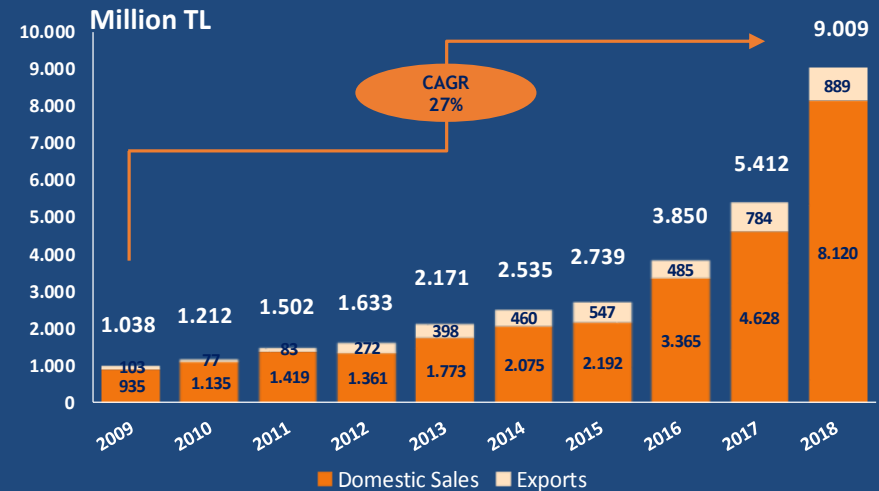


Financial Highlights

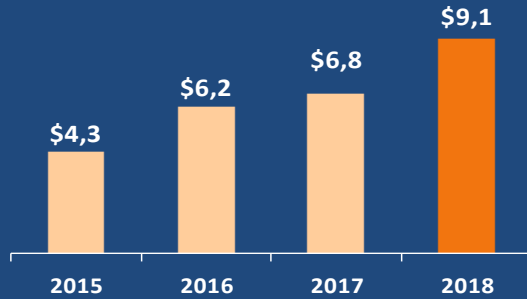
(Million TL)	Dec'17	Dec'18	Δ%
Net Sales	5.412	9.009	66
Gross Profit	1.466	2.211	51
Operating Profit (EBIT)	1.027	1.724	68
EBITDA	1.160	1.896	64
Net Profit	1.376	2.318	68
Gross Profit Margin	%27,1	%24,5	↓
Operating Profit (EBIT) Margin	%19,0	%19,1	↑
EBITDA Margin	%21,4	%21,0	↓
Net Profit Margin	%25,4	%25,7	↑
Cash and Cash Equivalents	1.263	3.116	147



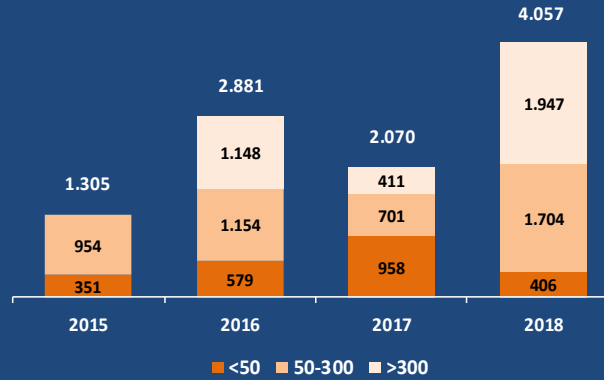
Domestic Sales and Exports



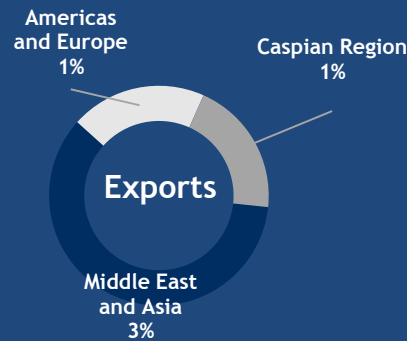
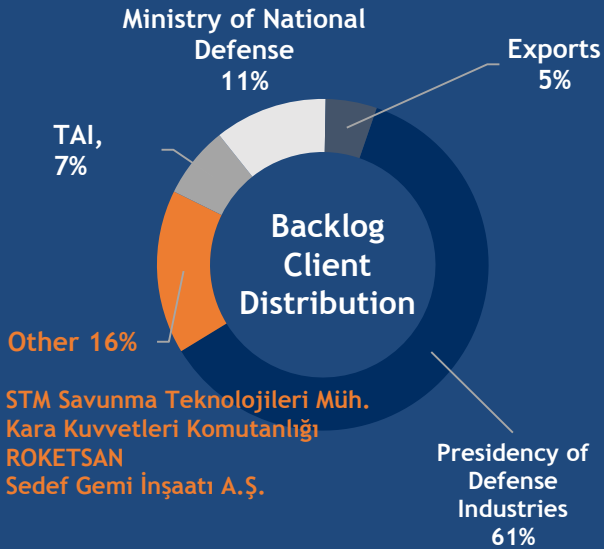
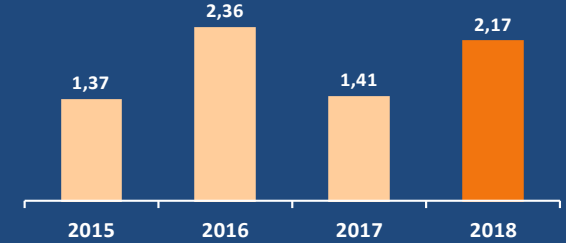
Backlog History (Billion USD)



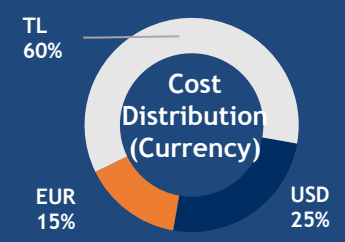
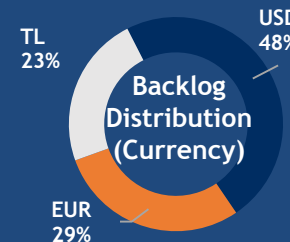
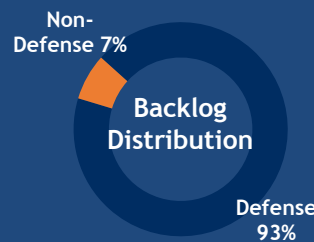
New Contract Awards (Million USD)



Book-to-Bill Ratio



Backlog Aging (Billion USD)	
2019	2,2 - 2,5
2020	2,5 - 2,8
2021	2,3 - 2,6
2022	1,0 - 1,3
2023 and Beyond	0,4 - 0,7





Prospective Projects



**MILGEM I-Class
Frigate**



**ALTAY Tank Serial
Production**



**Indigenous
Helicopter**



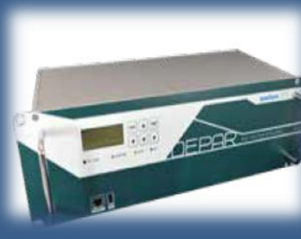
**Laser Guidance
Kit**



Non-Defense Areas



Railway Signaling Systems



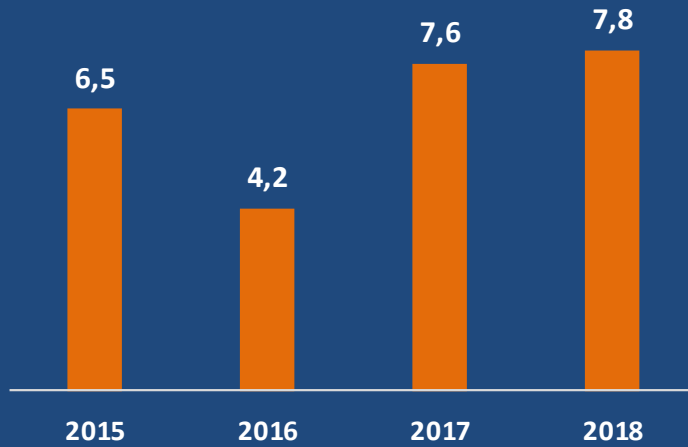
**Energy Management and Smart
Grid Systems**



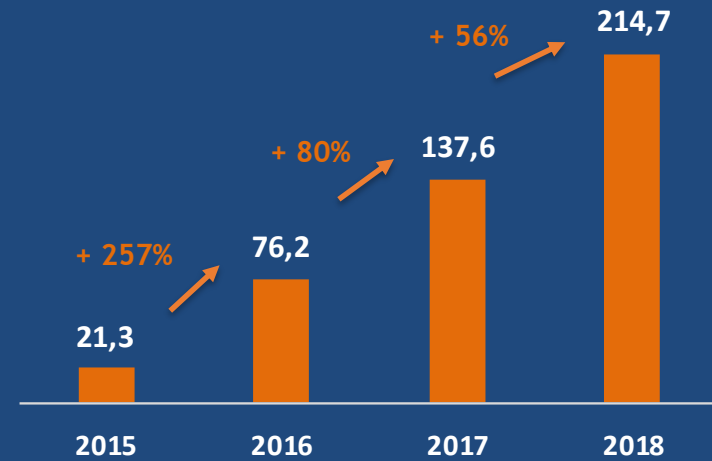
Health Systems

Net Sales**2017**
5.412
Million TL**2018**
9.009
Million TL**2019 Guidance**
40%-50%
Growth**EBITDA
Margin****21,4%****21%****19-21%****CAPEX****561**
Million TL**738**
Million TL**1.000**
Million TL

Dividend Per Share (per 100 shares)

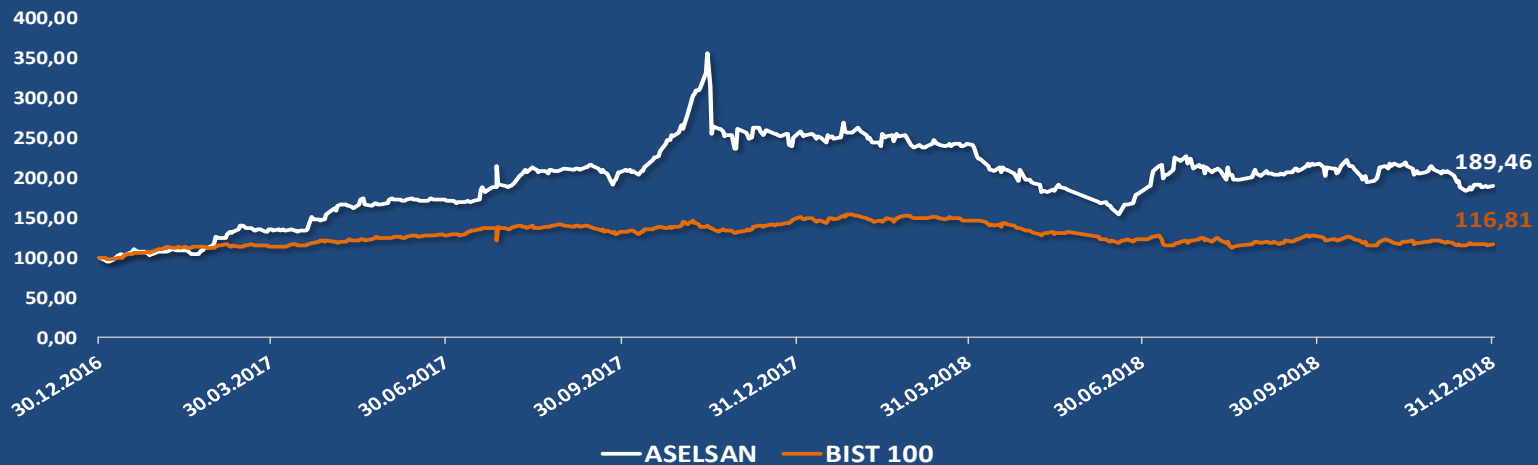


Earnings Per Share (per 100 shares)



Stock Performance

ASELSAN reached a market value of 5,20 Billion USD as of 31.12.2018.





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APPENDIX

Consolidated Balance Sheet (Million TL)

aselsan

Assets

(Million TL)	31/12/2017	31/12/2018
CURRENT ASSETS	6.059	11.617
Cash and Cash Equivalents	1.263	3.116
Trade Receivables	1.581	3.072
Inventories	2.222	3.577
Prepaid Expenses	658	1.319
Other Current Assets	335	533
NON-CURRENT ASSETS	5.580	7.857
Financial Investments	569	779
Long-term Trade Receivables	1.575	2.827
Property, Plant and Equipment	1.091	1.336
Intangible Assets	891	1.082
Prepaid Expenses	443	504
Deferred Tax Assets	651	734
Other Long-term Assets	360	595
TOTAL ASSETS	11.639	19.474

Liabilities

(Million TL)	31/12/2017	31/12/2018
CURRENT LIABILITIES	3.691	4.685
Short-term Financial Liabilities	472	766
Trade Payables	1.790	2.549
Deferred Income	900	633
Other Short-Term Liabilities	529	737
NON-CURRENT LIABILITIES	3.179	4.612
Long-term Financial Liabilities	62	20
Long-term Trade Payables	1.263	1.768
Deferred Income	1.643	2.297
Other Long-term Liabilities	211	527

(Million TL)	31/12/2017	31/12/2018
EQUITY	4.769	10.177
Share Capital	1.000	1.140
Share Premiums	-	2.797
Other Funds	1.021	1.260
Retained Earnings	1.372	2.662
Net Profit for the Period	1.376	2.318
TOPLAM KAYNAKLAR	11.639	19.474

Consolidated Income Statement (Million TL)

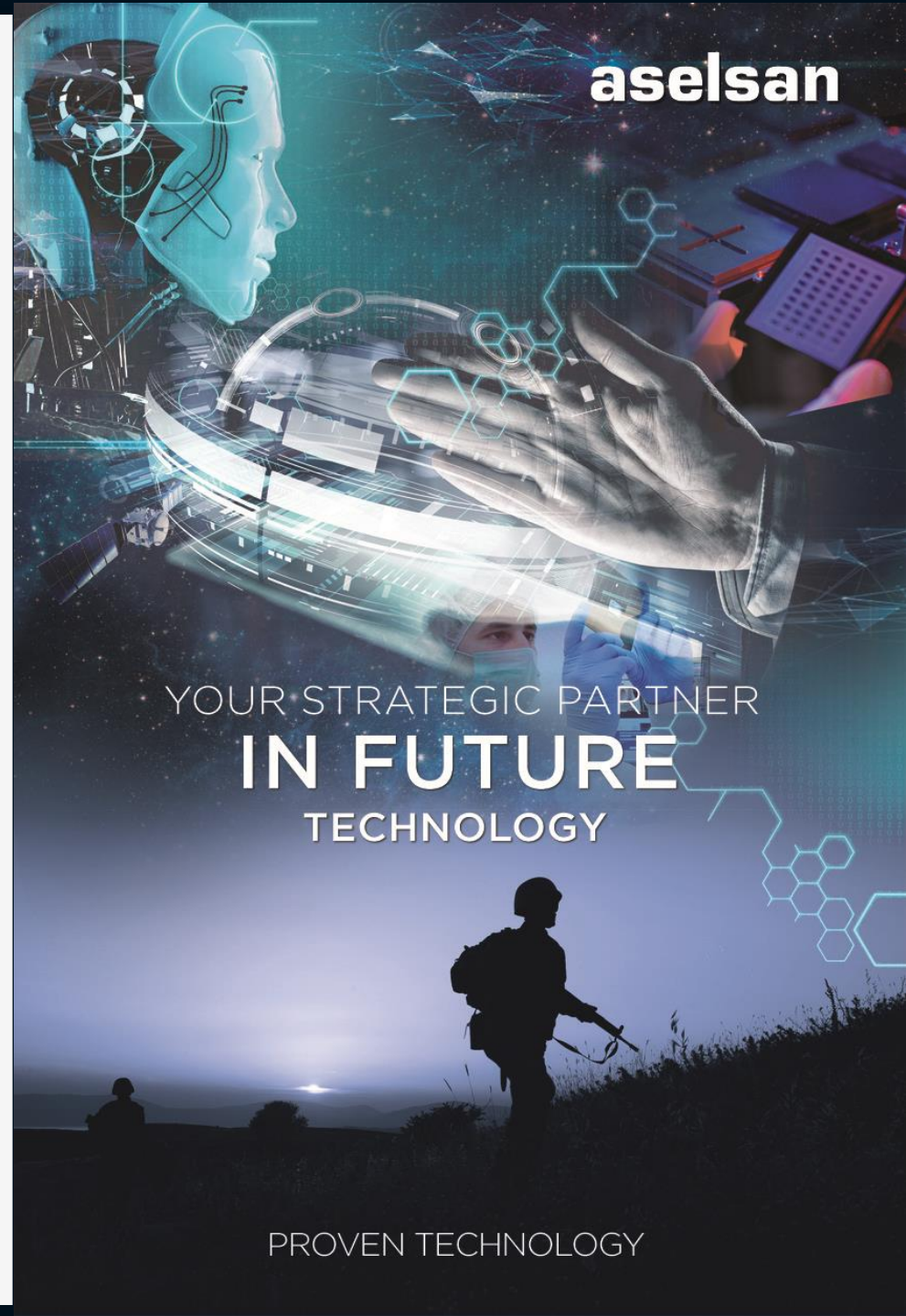
(Million TL)	31/12/2017	31/12/2018
PROFIT OR LOSS		
Revenue	5.412	9.009
Cost of sales (-)	(3.946)	(6.798)
GROSS PROFIT	1.466	2.211
General administrative expenses (-)	(178)	(222)
Marketing expenses (-)	(164)	(151)
Research and development expenses (-)	(98)	(114)
Other operating income	1.936	5.654
Other operating expenses (-)	(1.678)	(5.153)
OPERATING PROFIT	1.284	2.225
Income from investing activities	9	5
Share of Losses of Equity-Accounted Investments	9	(9)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE	1.303	2.221
Financial income	245	876
Financial expenses (-)	(383)	(856)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1.165	2.242
Tax income/ (expense) from continuing operations	211	78
- Current tax expense	(2)	(11)
- Deferred tax income / (expense)	213	89
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	1.376	2.319
Profit for the period attributable to:		
Non-controlling interest	0,08	1
Shareholders of the parent	1.376	2.318

The information contained herein has been prepared by ASELSAN (the Company). The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice.

These materials contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except to the extent required by law, we assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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PROVEN TECHNOLOGY